



State of California

Employment Training Panel

Arnold Schwarzenegger, Governor

March 13, 2008

Donald Nama II, President
Intec Video Systems, Inc
23301 Vista Grande
Laguna Hills, CA 92653

Dear Mr. Nama:

RE: FINAL MONITORING VISIT REPORT for Intec Video Systems - ET07-0377

| | |
|-------------------------------|---|
| Date of the Visit: | February 28, 2008 |
| Beginning/Ending Time: | 10:00 a.m. - 11:00 a.m. |
| Date of Last Visit: | April 25, 2007 |
| Visit Location: | Laguna Hills, California |
| Persons in attendance: | Cheryl Young, Human Resources Manager Ryan Swier, ETP Contract Analyst |
| Action Required: | No |

CONTRACT INFORMATION:

| | | | |
|---|----------------|-----------------------------|----------|
| Term of Agreement: | 5/1/07-4/30/08 | Agreement Amount: | \$20,202 |
| Training Start Date: | 5/16/2007 | No. to Retain: | 21 |
| Date Training must be Completed: | 1/30/08 | Range of Hours: | 8-60 |
| Type of Trainee: | Retrainee | Weighted Ave. Hours: | 37 |

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ETP (04/15/05)

FINAL REPORT SUMMARY

One Agreement Revision was submitted for this Contract to add Computer Based Training (CBT) to the Agreement. Agreement Revision #1 was approved by the ETP Regional Manager on June 15, 2007. However, no CBT courses were tracked under this agreement.

INTERVIEW WITH THE CONTRACTOR REPRESENTATIVE

Ms. Young stated that all class/lab training was completed on December 14, 2007. She reported that ETP-funded training has increased employees skills and that ISO Certification has been completed.

Ms. Young reported that she did not encounter any barriers in implementing the Agreement or any problems with the ETP recordkeeping. She stated that the ETP online system is user-friendly and had simple steps. Also, Intec Video Systems may come back for another ETP contract.

PROJECT STATUS PROVIDED BY THE CONTRACTOR

| | |
|-----------------------------------|---------|
| Trainees Started Training: | 19 |
| Trainees Enrolled: | 21 |
| Dropped Following Enrollment: | -0- |
| Completed Minimum Training Hours: | 18 |
| Completed Training: | 18 |
| Completed Retention: | Pending |

The chart below lists the training hours provided to the 62 trainees tracked on-line who reached the specified benchmarks:

| NUMBER OF TRAINEES: (# TRAINEES) | HOURS COMPLETED | PERCENTAGE OF TOTAL ENROLLED (208) |
|-------------------------------------|-----------------|---------------------------------------|
| 1 | 1-7.75 | 5% |
| 12 | 8-31.75 | 63% |
| 3 | 32-55.75 | 16% |
| 3 | 56-60 | 16% |

* As of the date of the Monitoring Visit, the Contractor's statistics showed that 18 trainees had completed 8 hours of training to qualify for reimbursement. Mr. Swier explained to Ms. Young that the per trainee reimbursement for class/lab training is based on the total number of training hours completed by each trainee, provided the

minimum 8 hours of training and no more than the maximum 60 hours of training are completed, and all other Agreement terms and conditions are met.

PROJECT STATUS PROVIDED BY THE CONTRACTOR (continued)

The aforementioned 18 retrainees were provided a total of 516.5 hours of training. Therefore, Intec Video Systems can potentially earn \$13,429.00 in reimbursement (66 percent of encumbered funds), if all Agreement terms and conditions are met. As of the date of the Monitoring Visit, Intec Video Systems had requested progress payments one and two.

ATTENDANCE ROSTERS

During the Monitoring Visit, Mr. Swier randomly selected the attendance records of five enrolled trainees. The review of the records revealed that the five trainees had completed from 11.5 – 60 hours of class/lab training. The review sample consisted of original daily class/lab attendance rosters for training provided from May 16, 2007 through December 14, 2007. Mr. Swier compared the information in the ETP on-line class/lab tracking system with the attendance rosters to ensure that the information was consistent.

The review of the completed rosters revealed that the information on the rosters was in accordance with Title 22, California Code of Regulations, Section 4442, Record Keeping and consistent with information in the ETP on-line tracking report.

AUDIT

Intec Video Systems will be notified in writing if this Agreement is selected for audit that may be conducted at your Laguna Hills location or by telephone, if selected for a desk audit ("review"). The notification will be sent in advance to allow ample preparation time and will include the documentation that will be examined by the auditor. The documentation typically examined during an audit will be included along with the Audit Notification and Audit Confirmation letters. To provide support of training, original training attendance documentation is required; photocopied records are not acceptable. Listed below are records that may be requested by ETP Auditors during an ETP audit:

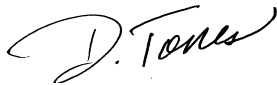
- Training attendance records such as training rosters or sign-in sheets
- Payroll records to verify a trainee's retention wage and hours worked per week
- Personnel records regarding trainee's occupation and dates of employment
- Documentation of employer paid health benefits
- Cash receipts to verify receipt and accounting of ETP funds

RECORDS RETENTION

Records must be retained within Intec Video Systems control and be available for review at your place of business within the State of California. This responsibility will terminate no sooner than four (4) years from the date of the termination of the Agreement or three (3) years from the date of the last payment by ETP to Intec Video Systems, or the date of resolution of appeals, audits, claims, exceptions, or litigation, whichever is later.

If you have any questions or comments regarding the information contained in this letter, please contact Ryan Swier at (619) 686-1902, or e-mail him at rswier@etp.ca.gov within ten (10) working days from the receipt of this letter.

Sincerely,



Diana Torres, Manager
San Diego Regional Office



Ryan Swier, Contract Analyst
San Diego Regional Office

cc: Kulbir Mayall, Manager, Fiscal Unit
Amber Luiz, Assistant Director, ETP
Cheryl Young, Human Resources Representative, Intec Video Systems, Inc.
Master File
Project File